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INFORMATION REPORT

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COUNTRY

SUBJECT ~~Hungary~~

Iron Smelter of the Stalinváros Iron and Steel Plant

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THIS IS UNEVALUATED INFORMATION

1. In November 1956 the smelter of the Stalinvaros Vasmű, located near the town of Stalinvaros, had one 700 cubic meter furnace in operation. A second furnace of the same size was ready to begin operation and two more furnaces each of 400 cubic meters were to be built during the third five year plan from 1960 to 1965. The furnaces were built from a 1929 US patent previously sold to the USSR. The production plan of the one furnace that was actually operating [redacted] (August 1955 - November 1956) was nine thousand metric tons of iron per 30-day month (300 mt/day) operating 24 hours per day. [redacted] Actual production was 3% over this plan except in January and February when workers spent a large part of their time shoveling snow away from the railroad tracks and elsewhere. During these two months production was no more than the plan and occasionally a little less, depending on weather conditions. The ore was imported from the southern Ukraine and varied between 32 - 35% in grade, although the plant officials claimed the ore was 52% iron.

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2. When the furnace was tapped the iron was poured into a kettle the shape of a tea cup 9' - 10' in diameter and 21' deep that was located on a flatbed railroad car and held erect by four braces that allowed the kettle to swing freely. It looked about as follows:

The flat car was pulled by a steam locomotive to the casting station about 500 meters distant. [redacted] The railroad car with the kettle, containing about 70 metric tons of iron, was pulled into the casting machine which, by a series of pulleys tipped the kettle and poured the molten iron over a spout into the molds. The molds were linked together and

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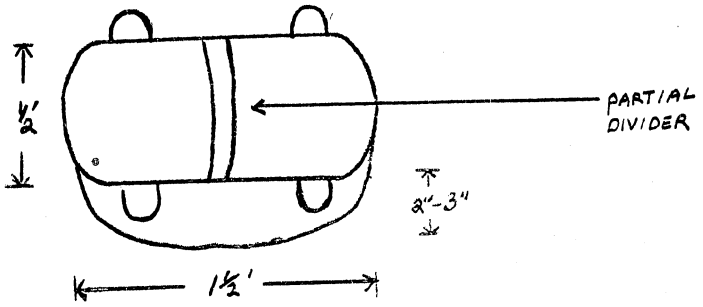
rotated in a horizontal direction for 60° on a chain driven conveyor, dropping the ingots as they rotated under the conveyor. The conveyor could be projected into a box car where the ingots were stacked as they dropped out of the molds. Each mold was made of steel and coated with some kind of calcium compound. Such a mold would look about as follows:



There was no imprint or insignia of any kind on the ingot, or the mold. Six to eight kettles at a time were used to carry away the slag and one or two were used to carry the iron. Altogether there were about 100 - 120 kettles at the foundry. Thirty to 35% of the ingots were used at Stalinváros and the rest were sent to Csepel Island and Pestszentlorinc. The furnace broke down frequently when first installed, but later it worked very well. 50X1-HUM each minute of work stoppage in the smelter cost F10 thousand.

3. Only 30 to 35% of the coke used in the smelter was made at Stalinváros, the rest was imported from Poland and Czechoslovakia. In 1954-55 coke had also been imported 50X1-HUM There was in fact no natural resource at Stalinváros that justified the construction of an integrated iron and steel plant except some calcium. Everything was imported. There was a F22 million deficit each month of the plant's operation because of the necessity to import coal. Everyone 50X1-HUM was aware of this fact.

4. There were 600 - 800 people employed in the smelter, including the administrative staff. The smelter worked around the clock in three shifts: 0600 to 1400; 1400 to 2200; 2200 to 0600. Workers worked seven days a week for seven weeks and then got two days off. Despite this, however, the employees had high morale because they were paid well. 50X1-HUM superior received F3000 - F3500 per month while the common laborers got F1000 - F1200. Housing 50X1-HUM was also very modern and healthy, although there was a shortage. Supervisors of the smelting department, the rolling mill, the administration building and the coke factory were all Soviets. In short, every division had a Soviet supervisor, although they were 50X1-HUM called "interpreters". There may also have been other Soviets 50X1-HUM The supervisors actually ran the plant.

5. The whole Stalinváros combine was built by Hungarians under Soviet supervision. The plans were written in Russian and were to be fully completed in three five year plans. In the first five year plan the coke factory, the smelter, and 50X1-HUM the foundry were completed. The foundry utilized the Martin open hearth system. In the second five year plan the second furnace in the smelter was to be installed, a rolling mill built, as well as a chemical factory utilizing the slag. However, only the second furnace was

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completed. Construction on the rolling mill was just being started in November 1956. Four walls of a second coke plant had also been erected. The first step in the third five year plan was to build the other two smelters, then the rolling mill, the coke plant and the chemical plant. The Communists also want to build a brick factory, a cellulose factory and a machinery factory. Stalinvaros is intended to be a complex of completely integrated plants.

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6. During the first five year plan everything was built at least twice. The Soviets would erect a building, discover it was wrong, and then have it torn down and reerected. When the foundry was finally completed the workers buried the construction equipment at a loss of many millions of forints. This was published in the newspapers with photographs when another building was later started on the same ground and the equipment discovered.

Plant Security

7. A brick wall six feet in heighth topped with a foot of barbed wire surrounded the entire plant. There were nine gates through which employees passed guarded by 25 - 30 armed guards, although only a few of these were engaged in inspecting passes. A visitor showed his personal pass book, told the guards whom he wanted to see and then was personally accompanied by one of the guards after the employee whom the visitor wished to see had been notified. The pass was pink in color and was carried in a cover the color of which was supposed to indicate the department for which one worked, but after one was admitted to the grounds one could go to any department desired. Occasionally

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leave pass at home and would then just show a similar card.

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The guards were generally indifferent. They received only F600 per month and didn't really care. There was no searching at any time, although if one brought a suitcase the guards might look in it. On shift changes many people coming through the gate never bothered to show their passes, and most simply flashed the cover. However, each quarter of the year each employee's pass was stamped and five to ten days after the quarter the guards would look for the stamp, but afterwards they never inspected the pass. On holidays the plant had "voluntary peace" guards to prevent demonstrations. At night the plant grounds were fairly well lit, but guards were never stationed inside.

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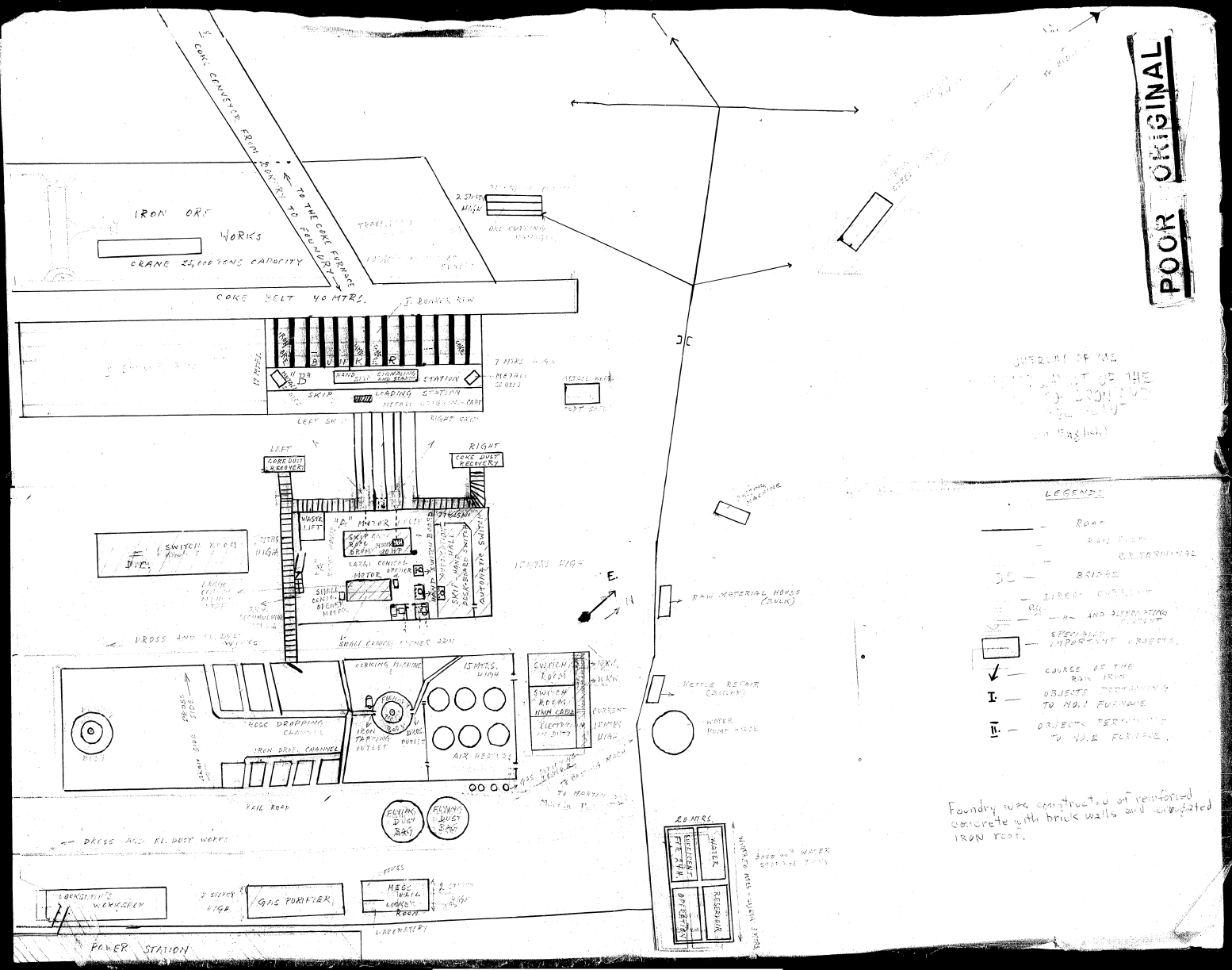

Foundry was constructed of reinforced concrete with brick walls and corrugated IRON roof.